



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 41 (ending 09/10/2015)

“The more difficult the victory, the greater the happiness in winning.” – Pele

Irish mortgage approvals fall for first time since 2013 – New data released by the Banking and Payments Federation Ireland (BPMFI) indicate new mortgage approvals for house purchase reduced from €532m in July to €392m in August. This is weakest level of mortgage approvals since January, with the new LTV rules in place.

Fed meeting minutes fuels speculation that first U.S. rate rise may be delayed until 2016 – The minutes of the Federal Reserve’s September meeting increased views that a first rate rise may be delayed until 2016 as it was “prudent to wait for additional information confirming the economic outlook had not deteriorated”.

IMF revises down its 2015 world GDP forecast to 3.1% – The IMF’s latest World Economic Outlook (WEO) foresees lower global growth compared to 2014, with a modest rise in advanced economies and a slowing in emerging markets with growth revised to 3.1% this year. However it is forecasting a rebound to 3.6% in 2016.

German exports down 5.2% in August – German exports reduced 5.2% in August from July, in a further sign that growth in Europe's largest economy may be slowing. Despite the decline, the Federal Statistical Office said exports were 5% higher than a year earlier. Imports also fell, by 3.1% on the month.

Japan leaves rates on hold – The Bank of Japan announced that their monetary policy would remain unchanged, as was widely expected, keeping bond and other asset purchases at an annual rate of 80 trillion yen. In the statement the central bank remarked that the economy had "continued to recover moderately ...”

China FX reserves have record quarterly fall – China's foreign exchange reserves posted their biggest quarterly decline on record in July-September, as the central bank stepped up intervention to stabilise the yuan. China's reserves, the world's largest, dropped \$43.3 billion to \$3.514 trillion last month.

The Story of the week: Ten years of research by the Buck Institute for Research on Ageing and University of Washington have discovered more than 200 genes linked to ageing and have found switching them off extends life. Many of the genes are present in mammals, including humans, suggesting a dramatic increase in lifespan.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2010	2011	2012	2013	2014	2015 YTD (to 09/10)
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	20.1
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	0.8
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	5.6
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	-0.5
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	2.0
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	5.7
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-3.6
MSCI World	7.8	-7.6	13.1	26.2	7.7	-0.5
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.1
German	3.0	1.8	1.4	1.9	0.5	0.6
UK	3.4	2.0	1.9	3.0	1.9	1.8
Japan	1.1	1.0	0.7	0.7	0.3	0.3
Ireland	9.1	8.4	4.5	3.4	1.3	1.2
Italy	4.8	7.1	4.6	4.1	2.1	1.7
Greece	12.5	31.7	12.7	8.2	9.6	7.6
Portugal	6.6	13.4	6.9	6.1	2.7	2.4
Spain	5.5	5.1	5.4	4.1	1.6	1.8
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.14
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.74
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.54
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

*Past performance is not a reliable guide to future performance